



PARKING
OF BALTIMORE CITY
AUTHORITY
2012 ANNUAL REPORT

FOCUSED ON CUSTOMER SERVICE







TABLE OF CONTENTS

Letter from the Mayor	2
Letter from the Board of Directors	3
Baltimore's First Motor Coach Parking Facility Now Open	4
Residential Permit Parking Gets Facelift	5
Garage Parkers See Improvements	6
Parking Meters Continue To Evolve	7
Car Sharing Proving Successful in Baltimore	8
Financials	9



LETTER FROM THE MAYOR

Baltimore City is the cultural center and economic engine of the state of Maryland. With hundreds of diverse live entertainment venues, 5,600 acres of urban parkland, world renowned educational institutions and hospitals, M&T Bank Stadium, Oriole Park at Camden Yards, and so much more, it is no wonder that more than 22.3 million visitors came to Baltimore in 2011.

While the city's many amenities attract visitors from all over the state, country and world, they also attract hundreds of thousands of vehicles, making parking a vital asset for residents, businesses, commuters, and visitors alike. The mission of the Parking Authority of Baltimore City is to find, or create, and implement parking solutions for Baltimore City, and to be the resource on all things "parking" in Baltimore.

The Parking Authority of Baltimore City works to fulfill its mission by focusing on its customers—who are extremely varied. They are tour bus operators, visitors parking at meters, and commuters who utilize our City-owned garages each weekday. So too does PABC serve residents finding parking near their homes, drivers of plug-in electric vehicles, and even folks who choose to not own a car.

Meeting all these customers' needs can be challenging, but the Parking Authority is constantly working to make it happen. Read on to learn about the new and innovative measures they are using to find parking solutions that work for you, such as a new tour bus parking facility, easy-to-use parking meters, extended office hours, and a renovated customer service area. Improving customer service is a priority of my administration, and agencies such as the Parking Authority are working hard to make each customer's experience as satisfying as possible.

Sincerely,

Stephanie Rawlings-Blake
Mayor, Baltimore City

LETTER FROM THE BOARD OF DIRECTORS

Dear Parking Customer,

This year's annual report is dedicated to you, our customer. Whether you are one of the 10,000 drivers who park in our garages every day, one of the 700,000 drivers who park in metered parking spaces each month or, a resident who purchases one of over 30,000 residential parking permits each year, we are working hard on your behalf. Our customers include the hundreds of businesses and organizations who look to us to help find parking solutions, as well as the Mayor and City Council who rely on us to be their authority on all things parking.

Your Parking Authority Board of Directors were instrumental in introducing two important bills to City Council this year, bills that will result in better management of parking in Baltimore City.

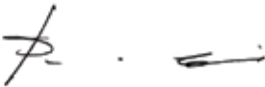
Drivers who use a valet service that utilizes the public right-of-way to conduct their business deserve a certain level of service and protection. They also should have confidence that their car isn't going to be parked in a way that harms the residents in the neighborhoods where they are bringing their business. This legislation requires valet operators to carry adequate insurance, utilize off-street parking spaces and follow traffic and parking laws, which protects patrons' vehicles as well as the fabric and safety of neighborhoods surrounding valet operations.

Partnering with the Residential Permit Parking (RPP) Advisory Board, the Board of Directors has spearheaded an overhaul of the RPP program. Implementing the RPP Comprehensive Master Plan has led to numerous improvements in customer service including renovating the Parking Authority's service lobby area, expanding our operating hours to better fit the schedules of our customers, improving the online system to renew permits and creating an online map to determine RPP block eligibility. The plan also calls for amendments to City RPP Code that will further strengthen the program and will allow us to better administer it.

Future plans include utilizing cutting edge technology, finding innovative solutions to parking challenges in neighborhoods and working closely with City Council to ensure improvements are implemented.

Thank you for your interest in the Parking Authority of Baltimore City where we are focused on you, our customer. Please keep reading to learn more about our commitment to customer delight

Sincerely,



Peter Auchincloss
Board Chair



Pictured above (left to right): **Sophie Dagenais**, *Senior Fellow*, Center for Community and Economic Opportunity, The Annie E. Casey Foundation; **Councilwoman Sharon Green Middleton**, *Board Secretary*, Baltimore City Council, District 6; **Peter E. Auchincloss**, *Board Chair, President* - Watermark Corporation; **Harry Black**, *Director of Finance*, City of Baltimore; and **Pierce J. Flanigan, IV**, *President*, P. Flanigan & Sons Inc.

BALTIMORE'S FIRST MOTOR COACH PARKING FACILITY NOW OPEN

On June 12, 2012, Baltimore City opened its first Motor Coach Parking Facility. Located on the property of the B&O Railroad Museum at 1100 James Street, the facility was created to allow operators of motor coaches to safely park and rest comfortably while their tours enjoy the sights around the city. The parking lot's entrance is on Arlington Street, accessible from Washington Boulevard.

Conveniently located near Pratt and Lombard Streets just west of the Inner Harbor, motor coach operators can drop tourists or groups off, park their coaches and enjoy the lounge area inside the facility. They can enjoy free WiFi and cable television, get a bite to eat from the vending machines, or order something to be delivered.

Operators can also take in the sites of Baltimore themselves. The B&O Railroad Museum allows free admission to operators while they are parked in the facility. They can also hop aboard the free Charm City Circulator to visit the Inner Harbor.

The facility is open seven days a week from 7:00 am to 7:00 pm. Reservations can be made by calling 410-385-5848. Pump-out service is available.

The creation of Baltimore's first Motor Coach Parking Facility supports the City's no idling policy, which helps reduce greenhouse gas emissions. For years the City has required trucks, tour buses, RVs and motor homes to reduce idling times by issuing fines for those idling in the city's neighborhoods. Without a good place to park and exit the vehicle, most operators kept cool in the summer and warm in the winter by parking wherever they could find a long enough space and sitting in their vehicle with the motor running. With a parking lot large enough for motor coaches and nice air conditioned and heated facility in which to relax, operators can park their vehicles, turn off the engine and be comfortable. Motor coach operators are happy, fuel is saved, emissions reduced and our environment protected.

By working with Visit Baltimore and the Department of Transportation, the Parking Authority has successfully provided a much needed solution for Tour Bus Companies. As one driver stated, "It's nice to see a city doing something for drivers. I hope other cities take a lesson from you." By providing the best customer service possible to motor coach operators, we are proud to support increased tourism, cleaner air and better parking solutions.





RESIDENTIAL PERMIT PARKING GETS FACELIFT

With attractions such as Camden Yards, the Maryland Science Center, M&T Stadium and the Walters Art Museum situated just footsteps away from some of Baltimore's neighborhoods, to say that parking is at a premium is an understatement. The high volume of visiting vehicles to neighborhoods like Otterbein, Mt. Vernon and Federal Hill creates a need for good parking management so that residents can live and thrive in their homes without deleterious parking impacts. This is one of the many reasons the Parking Authority offers the Residential Permit Parking Program for City Residents.

Forty-four areas throughout Baltimore have residential Permit Parking (RPP) programs at this time. Residential Permit Parking areas restrict how long vehicles can park in that area unless a permit is displayed. These parking restrictions help manage the parking supply for visiting vehicles and encourage non-residents to either park off-street or use alternative forms of transportation. This makes it possible for residents of these areas to park within a reasonable distance of their home.

This program is a community based program and relies heavily on community partnerships to properly manage each RPP Area.

- In 2012, the Residential Permit Parking program has expanded the services it offers. Through a partnership with the Mayor's Office of Information Technology, an online map is now available on the City's website (www.baltimorecity.gov) that residents (or potential residents) and visitors can use to review RPP areas in the city. This will help residents plan for parking before visiting RPP areas.
- This year the Parking Authority also began providing extended hours by staying open late one weekday evening and one Saturday morning per month, to better accommodate the needs of residents who work the traditional 9 to 5 job.
- The Parking Authority has also created a customer work station in the lobby so that residents who need to print out documentation can do so right in the office for their convenience. Residents can also use their Smartphone to present required documents.
- The Parking Authority redesigned its RPP customer service area to provide a much more comfortable and pleasant experience to residents coming to our office for permits.

Whether you live, play, earn or learn in Baltimore City, the Parking Authority's Residential Permit Parking Program is here to help.

GARAGE PARKERS SEE IMPROVEMENTS

More than 10,000 commuters and visitors park their vehicles each day in the 17 City-owned garages that the Parking Authority oversees. Things are looking brighter than they were last year for these customers— much brighter. Last year, every incandescent light bulb in 15 garages was replaced with new energy efficient fluorescent and LED lighting solutions that increase light levels significantly.

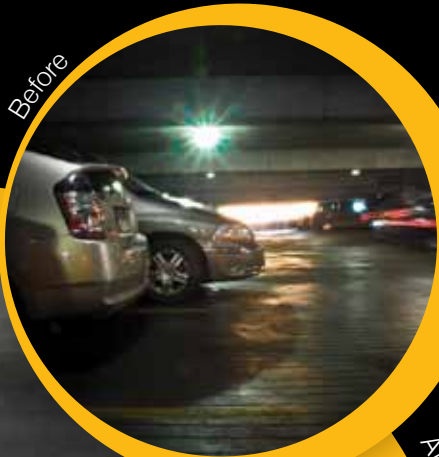
The new lighting systems, valued at \$2.8 million, were installed at no cost to Baltimore City taxpayers and save the City approximately \$375,000 in electricity costs and \$217,000 in maintenance fees annually. Because the new fixtures last longer, the bulbs don't have to be replaced as often.

With the new lighting systems, these garages feel noticeably different. The whiter, brighter fixtures disperse the light more evenly and eliminate shadows, creating a safer environment for our customers.

Several City-owned garages have undergone other physical improvements as well over the past year. ***Stairwells have been improved at the West Street Garage in Federal Hill*** and leaks in the roof of the West Street Garage ***have been repaired/are underway***. The Arena Garage underwent some major improvements including expansion joint repairs, traffic coating repairs, concrete repairs and restriping on Level 2. Continued improvements and preventative maintenance are on schedule to make sure customers are safe and comfortable.

Our garage monthly contract customers can also take advantage of our new online payment system, which makes it quick and easy to get you in and out of one of our garages on a daily basis.

Before



After



PARKING METERS CONTINUE TO EVOLVE

The Parking Authority of Baltimore City has installed over 800 solar-powered EZ Park® Meters that have improved parking availability throughout Baltimore City. By removing single space meters and replacing them with multi-space EZ Park Meters®, customer service is improved in a number of ways. With no delineated parking spaces, drivers can park closer together, allowing more vehicles to fit in the same amount of space, increasing the parking inventory by up to 20% on some blocks, depending on the size of the vehicles. EZ Park Meters® also benefit customers by accepting credit card payments as well as coins, making it easier for drivers to pay for parking and avoid parking citations.

Parking meters encourage the turnover of vehicles in high parking-demand areas, making it easier for drivers to find available parking spaces. The Parking Authority is always evaluating meter rates and hours of operation to ensure that the parking meters are effectively promoting this turnover and are best serving their communities.

The Parking Authority is focused on continually improving our customer service by decreasing meter downtime and improving their performance. We can monitor each EZ Park Meter® remotely to resolve issues and improve customer service. Although the Meter Department performs regular preventative maintenance to keep all parking meters in excellent working order, vandalism is a problem. We encourage our customers to call our live, 24/7 Help Desk at 443-986-9430 to report problems or for assistance. These representatives can dispatch a technician immediately to a malfunctioning EZ Park Meter®, even after office hours. Inoperable meters can also be reported online on the Parking Authority website, available through baltimorecity.gov.

Approximately 5,000 single space meters remain throughout the City of Baltimore that still only accept coins and are not able to be monitored remotely. Although many of these single space meters cannot be replaced by EZ Park Meters®, we are in planning stages to improve the customer experience with these meters by equipping them with credit card readers and adding them to our back office system. By retrofitting existing meter housings and poles all current meter enforcement and collection processes can be maintained. These user-friendly meters would be solar powered with rechargeable battery packs, wirelessly networked to a web-based management system. Single space meters in the central business district would be retrofitted first, and then continue throughout the rest of the city.

Making on-street parking spaces available to short-term parkers looking to patronize businesses, visit friends or enjoy Baltimore's attractions supports the mission of the Parking Authority, which is to find, create and implement parking solutions for Baltimore City, and to be the resource on all things "parking" in Baltimore. We want to make the experience of using a parking meter in the City of Baltimore as easy as possible.



CAR SHARING PROVING SUCCESSFUL IN BALTIMORE

Two years after entering a partnership with Zipcar, car sharing is proving to help Baltimore residents live with fewer personally owned vehicles. Every year Zipcar asks its Baltimore members about their transportation choices, including car ownership. This year, nearly 40% of Zipcar members in Baltimore who responded to the survey have removed at least one personally owned vehicle from their household after joining Zipcar. Over 60% of Zipcar members in Baltimore who responded to the survey say that Zipcar has made it less likely that they will buy/lease a car (or purchase an additional car) after joining Zipcar. Over 85% of Zipcar members in Baltimore who responded to the survey said that Baltimore's on-street Zipcar locations were a factor in their decision to become a Zipcar member.

The Parking Authority has helped bring 77 Zipcars to Baltimore City, a nearly 300% increase in vehicles after launching with just 20 vehicles on-street in 2010. Each location goes through a rigorous process including extensive outreach to City Council, community associations and business associations. This process takes longer, but as our customers, we want residents' input to find the right location long before the Zipcar poles go up or Zipcars are available to rent.

These Zipcars the Parking Authority helped to place are extremely fuel efficient, with 85% of the current fleet getting 30 miles per gallon or better. Many of these are hybrid vehicles, which emit fewer greenhouse gas emissions.

Eleven Zipcars are located in food deserts to help residents who can't afford the high cost of car ownership have access to grocery stores.

By working with the community in making car sharing vehicles available on-street and in City-owned garages, the Parking Authority is helping residents, commuters and visitors save money, expand their transportation options and protect the environment.





FINANCIALS

Independent Auditors' Report	10
Management's Discussion and Analysis	11 - 14
Governmental Fund Balance Sheet/ Statement of Net Assets	15
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	15
Notes to Financial Statements	16 - 19
Required Supplementary Information: Budgetary Comparison Schedule – General Fund	20

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Baltimore City Parking Authority, Inc.

We have audited the accompanying financial statements of the governmental activities and fund information of the Baltimore City Parking Authority, Inc. (Authority) as of and for the year ended June 30, 2012, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fund information of the Authority as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require the management's discussion and analysis and budgetary comparison information on Pages 11 through 14 and 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Ellin & Tucker, Chartered

ELLIN & TUCKER, CHARTERED
Certified Public Accountants
Baltimore, Maryland
December 12, 2012



MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Assets and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. Notes to Financial Statements follow the presentation of the basic financial statements. The report also contains other required supplementary information, primarily a Budgetary Comparison Schedule.

The Governmental Fund Balance Sheet/Statement of Net Assets is presented in reconciliation format and shows the difference between the assets and liabilities of the Authority as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Balance Sheet) and assets and liabilities as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Net Assets). For the Authority, the difference related primarily to capital assets which are reflected as assets on the Statement of Net Assets but are excluded from general fund assets.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is also presented in reconciliation format and shows the differences between revenues and expenditures as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) and revenues and expenses as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Activities). The primary differences relate to the treatment of capital asset purchases. For governmental fund accounting purposes, all cash payments for capital asset acquisitions are reflected as expenditures and deducted from revenues in calculating the net fund activity for the year. Under accounting principles generally accepted in the United States of America, capital asset acquisitions are not reflected in the Statement of Activities as a deduction from revenues but are reflected as increases to assets or reductions of liabilities.

Generally, fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources segregated by specific activities or objectives. The Authority's financial activity is classified into one fund—the general fund. The general fund accounts for capital asset acquisitions as expenditures when acquired, rather than as capital assets as a result of the use of the current financial resources measurement focus in accordance with generally accepted accounting principles.

The Notes to the Financial Statements provide additional information needed for a full understanding of the basic financial statements.

Required supplementary information consists of a comparison of actual financial activity to budgeted amounts to demonstrate compliance with the budget.



ANALYSIS OF NET ASSETS AND CHANGES IN NET ASSETS

The following is a comparison summary of the Authority's net assets and changes in net assets for the years ended June 30, 2012 and 2011:

	2012	2011
Assets:		
Current and Other Assets	\$ 2,013,738	\$ 1,378,203
Capital Assets	160,691	115,045
Total Assets	<u>\$ 2,174,429</u>	<u>\$ 1,493,248</u>
Liabilities:		
Current Liabilities	<u>\$ 1,655,186</u>	<u>\$ 1,124,387</u>
Net Assets:		
Invested in Capital Assets	\$ 160,691	\$ 115,045
Unrestricted	358,552	253,816
Total Net Assets	<u>\$ 519,243</u>	<u>\$ 368,861</u>
Changes in Net Assets:		
Program Revenues:		
Baltimore City Grant	\$ 4,943,364	\$ 3,750,350
Other	17,148	13,461
Total Revenues	<u>4,960,512</u>	<u>3,763,811</u>
Expenses:		
Salaries and Benefits	2,125,396	1,742,593
Professional Fees	1,141,963	688,168
Bank and Armored Car Fees	855,208	715,807
Rent and Utilities	166,740	129,150
Depreciation	44,476	48,418
Maintenance and Supplies	112,672	110,292
Other Operating Expenses	<u>363,675</u>	<u>181,957</u>
Total Expenses	<u>4,810,130</u>	<u>3,616,385</u>
Increase in Net Assets	150,382	147,426
Net Assets – Beginning of Year	<u>368,861</u>	<u>221,435</u>
Net Assets – End of Year	<u>\$ 519,243</u>	<u>\$ 368,861</u>



For the year ended June 30, 2012, the Authority received substantially all of its funding from an annual grant from the City of Baltimore. The purpose of the grant was to finance the administration of the City's parking operations through the Authority and cover all of the Authority's personnel costs, capital asset requirements, and other operating costs. The grant for the year ended June 30, 2012 was \$4,943,364, including an additional appropriation of \$580,000 to reimburse the Authority for supplemental meter program and administrative expenses. Operating expenses for the year ended June 30, 2012 totaled \$4,810,130 resulting in an increase in net assets of approximately \$150,000. Total operating expenses increased approximately \$1,194,000 during the year ended June 30, 2012 as compared to the year ended June 30, 2011. The increase was primarily a result of an increase in salaries and employee benefits relating to the hiring of additional employees throughout the year and an increase in professional fees relating to the Baltimore City Treasury Services. Increase also relates to credit card fees as a result of the additional meters installed throughout the year and an increase in fees on small credit card purchases due to changes in federal regulations.

During the year ended June 30, 2012, the Authority purchased computer equipment of approximately \$84,000. At June 30, 2012, the Authority had liabilities totaling \$1,655,186. These liabilities are expected to be funded through existing cash balances.

BUDGET ANALYSIS

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2012 (2012) is presented on Page 20. The most significant budget variations included salaries and benefits, software, and bank and armored car service fees.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$196,000 less than expected. The decrease was due to several vacancies remaining open throughout the fiscal year as well as the employee benefit plan matching contributions occurring for only a portion of the year.

Software expenses were approximately \$200,000 less than expected. This is due to the status of the iParq software upgrade. The upgrade to this system has only completed Phase 1 and is expected to be completed in fiscal year 2013.

(continued on next page)

BUDGET ANALYSIS (continued from previous page)

Bank and armored car service fees, which include credit card fees, were approximately \$125,000 more than expected. The increase was a result in increased credit card fees as a result of a change in federal regulations, which allowed for increased fees on credit card transactions.

The most significant variance between the original and final budget was software, salaries and benefits. Software expense final budgeted amounts increased by \$190,000 compared to the original budgeted amounts. This increase was due to server and firewall upgrades included in the final budget. Salaries and benefits final budgeted amounts decreased by approximately \$112,000 compared to the original budgeted amounts. This decrease is a result of the final budget not including salaries and benefits relating to the valet administration program since the program has not yet received legislative approval.

FISCAL YEAR ENDING JUNE 30, 2013

The budget for the fiscal year ending June 30, 2013 (FY 2013) has been submitted to the Baltimore City Board of Estimates in the amount of \$5,190,472 which represents an overall increase in the funding level compared to the fiscal year ended June 30, 2012 in the amount of \$1,861,273. The total grant appropriation includes \$2,449,659 for the base administrative grant and \$2,740,813 for the Meter Program Administrative grant. There were no funds awarded for the valet administration program for FY 2013. The additional funding for FY 2013 was for the transfer of the Single Space Meter Program from the City of Baltimore to the Authority. The Authority has been granted supplemental funding for the Bus Facility Parking Program in the amount of \$136,124. The total available funds for FY 2013 is \$5,639,070, including carryover funds from the fiscal year ended June 30, 2012.

This grant will pay salary, benefits, and other costs to support both the Single Space and Multi-Space Meter Program. The management of the single space meters has been the responsibility of the Department of Transportation for the City of Baltimore in previous years. The Authority has managed only the multi-space meters. The consolidation of parking meter programs was approved for FY 2012. The meters programs will now be managed by the Authority. There are currently 778 multi-space meters and 6,200 single space meters installed as of June 30, 2012. During FY 2013, the Authority anticipates it will enter into the next phase of the expansion of the EZ Park multi-space meter program, including installation of approximately 75 additional meters throughout the City. When completed, there will be over 850 multi-space meters in operation. Over the next several years, the Authority anticipates the installation of approximately 400 additional new multi-space meters and the installation of single-space electronic meters. This year's budget for the meter program includes the cost for the single space and the multi-space meter administration. The budget combines both into a single meter administration program budget.

The Authority has upgraded the financial software used for facility accounting. The final implementation will be complete in the spring of FY 2013. Reports will be available electronically containing current financial information. Implementation of software to manage the revenue process and coordinate the electronic transfer of data from the billing system to the facility access control system will continue into FY 2013. When completed, it will allow customers to pay their bills via the web. It will also provide some account controls for contract customers via a web connection.

The management team of the Authority is committed to introducing new technology and other methods to increase revenues for the City and providing outstanding customer service to all City patrons.

GOVERNMENTAL FUND BALANCE SHEET/
STATEMENT OF NET ASSETS

June 30, 2012	General Fund	Adjustments (Note 4)	Statement of Net Assets
Assets:			
Cash and Cash Equivalents	\$ 1,992,038	\$ -	\$ 1,992,038
Capital Assets, Net (Note 2)	-	160,691	160,691
Prepaid Expenses	21,700	-	21,700
Total Assets	\$ 2,013,738	\$ 160,691	\$ 2,174,429
Liabilities:			
Accounts Payable	\$ 255,111	\$ -	\$ 255,111
Related Party Payable	537,607	-	537,607
Accrued Expenses	234,473	-	234,473
Deferred Revenue	627,995	-	627,995
Total Liabilities	1,655,186	-	1,655,186
Commitments (Note 3)			
Fund Balances:			
General Fund Balance	358,552	(358,552)	-
Total Liabilities and Fund Balances	\$ 2,013,738		
Net Assets:			
Invested in Capital Assets		160,691	160,691
Unrestricted		358,552	358,552
Total Net Assets		519,243	519,243
Total Liabilities and Net Assets		\$ 160,691	\$ 2,174,429

STATEMENT OF GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE/STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Administration of Parking Facilities	\$ 4,765,654	\$ -	\$ 4,765,654
Capital Outlay/Depreciation	90,122	(45,646)	44,476
Total Expenditures/Expenses	4,855,776	(45,646)	4,810,130
Program Revenue:			
Grant Revenue - Baltimore City	4,943,364	-	4,943,364
Other Income	17,148	-	17,148
Total Revenue	4,960,512	-	4,960,512
Excess (Deficit) of Revenue over Expenditures	104,736	(104,736)	-
Change in Net Assets		\$ (150,382)	150,382
Fund Balance/Net Assets - Beginning of Year	253,816		368,861
Fund Balance/Net Assets - End of Year	\$ 358,552		\$ 519,243

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Baltimore City Parking Authority, Inc. (Authority) was created in 2000 by Baltimore City Ordinance 2000-71. The Authority's purpose is to assist Baltimore City (City) in the planning, development, management, and administration of its parking assets. The Authority does not own any parking facilities or other real property. The Authority's main source of revenue is a grant from the City rather than parking receipts. The grant is intended to fund all operating expenses of the Authority.

The Board of Directors of the Authority consists of five members, four of which are appointed by the Mayor of Baltimore City and confirmed by the City Council, and one who is a member of the City Council appointed by the City Council President.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority follows Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" (GASB 34) and GASB Statement No. 38, "Certain Financial Statement Note Disclosures" (GASB 38). GASB 34 requires net assets be classified as restricted, unrestricted, or invested in capital assets and requires presentation of a Management's Discussion and Analysis section to introduce the basic financial statements. GASB 34 and GASB 38 require certain expanded footnote disclosures.

The Authority's main source of revenue is a single grant from the City; therefore, all assets, liabilities, revenues, and expenses/expenditures are accounted for in a governmental fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain other obligations, are recorded only when payment is due.

The general fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

Amounts reported as program revenues primarily include the operating grant from the City.

Budgetary Information

The annual budget of the Authority is subject to approval by the City's Board of Estimates. The budget serves as the basis for determining the grant from the City. Budgetary data is presented as required supplementary information for the general fund. The budget is adopted on a basis consistent with generally accepted accounting principles for the governmental fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Subsequent Events

The Authority has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 12, 2012, the date the financial statements were available to be issued.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Authority maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

At June 30, 2012, the Authority's carrying value of cash and cash equivalents was \$1,992,038, and the bank balance was \$2,144,989. The difference between the carrying value and the bank balance is due to outstanding checks at June 30, 2012. Of the bank balance, \$250,000 was covered by Federal Depository Insurance (Risk Category 1), and the balance of \$1,894,989 was unsecured (Risk Category 3).

Bank deposits are categorized to give an indication of the level of risk assumed by the Authority for such deposits. Risk Category 1 includes deposits insured or collateralized with securities held by the Authority or its agents in the name of the Authority. Risk Category 2 includes deposits collateralized with securities held by the pledging institutions' trust department or agent in the name of the Authority. Risk Category 3 includes deposits that are not collateralized. Category 1 deposits have the least risk to the Authority.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the useful lives, which range from 3 to 10 years, of the assets. It is the Authority's policy to capitalize property and equipment over \$500. Lesser amounts are expensed.

Compensated Absences

The Authority accrues a liability for compensated absences which consists primarily of accumulated vacation leave. The liability includes those amounts expected to be paid upon termination of employment or through paid leave time.

Deferred Revenue

The Authority received grant funds in the amount of \$216,195 and \$419,765 related to the valet administration program for the years ended June 30, 2012 and 2011, respectively. The program has not formally started as it had not received legislative (or City) approval as of June 30, 2012. Since the program has not been approved, the total amount of funds received of \$635,960 has been recorded as deferred revenue in the accompanying financial statements.

2. CAPITAL ASSETS

Capital assets of the Authority are as follows:

	Beginning of Year	Additions	Retirements	End of Year
Capital Assets:				
Computer Equipment	\$ 370,611	\$ 84,297	\$ -	\$ 454,908
Office Equipment	64,805	3,706	-	68,511
Furniture and Fixtures	76,698	2,119	-	78,817
Leasehold Improvements	33,754	-	-	33,754
	<u>545,868</u>	<u>90,122</u>	<u>-</u>	<u>635,990</u>
Less: Accumulated Depreciation:				
Computer Equipment	305,883	33,126	-	339,009
Office Equipment	55,931	2,548	-	58,479
Furniture and Fixtures	40,829	7,343	-	48,172
Leasehold Improvements	28,180	1,459	-	29,639
	<u>430,823</u>	<u>44,476</u>	<u>-</u>	<u>475,299</u>
Net Capital Assets	<u>\$ 115,045</u>	<u>\$ 45,646</u>	<u>\$ -</u>	<u>\$ 160,691</u>

3. COMMITMENTS

The Authority leases office space from the City under a lease which expires in January 2014. The Authority leases office equipment under lease agreements which expire through April 2014. Rent expense recorded for the year ended June 30, 2012 was \$132,021.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,	2013	\$ 103,884
	2014	63,605
	2015	5,568
	2016	5,568
	2017	5,104

4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS FINANCIAL STATEMENTS AND GAAP FINANCIAL STATEMENTS

Statement of Net Assets and Governmental Fund Balance Sheet

The fund balance of the general fund differs from net assets reported in the Statement of Net Assets. The difference results primarily from the treatment of capital assets. When capital assets are used in governmental activities, the costs of the assets are reported as expenditures in governmental funds. However, the Statement of Net Assets includes those assets among the assets of the Authority.

Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

As noted above, outlays for capital assets to be used in governmental activities are reported as expenditures in the general fund; however, those expenditures are reported as assets, not expenses, in the Statement of Activities.

5. RETIREMENT PLAN

The Authority maintains a retirement plan covering substantially all employees. On January 1, 2012, the Authority amended its retirement plan to allow for discretionary matching contributions. Amounts to be contributed to the plan are determined by the Board of Directors. The Authority made contributions for the year ended June 30, 2012 in the amount of \$6,554.



BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenue:				
Grant - Baltimore City	\$ 5,152,500	\$ 4,969,000	\$ 4,943,364	\$ (25,636)
Other	-	-	17,148	17,148
Total Revenue	\$ 5,152,500	\$ 4,969,000	\$ 4,960,512	\$ 8,488
Expenditures:				
Salaries and Benefits	\$ 2,434,900	\$ 2,321,500	\$ 2,125,396	\$ 196,104
Telephones/Utilities/Internet	40,600	38,600	34,719	3,881
Vehicles/Travel	86,000	82,400	70,314	12,086
Business Machine Rental	9,700	9,700	11,515	(1,815)
Consultants	434,000	456,500	380,878	75,622
Equipment Warranty	269,500	247,000	242,244	4,756
Software	472,500	662,500	462,085	200,415
Legal	31,000	26,000	-	26,000
Printing and Copying	44,000	44,000	24,909	19,091
Bank and Armored Car Service Fees	730,000	730,000	855,208	(125,208)
Computer Maintenance	60,600	60,000	56,756	3,244
Other Services	297,500	233,700	248,423	(14,723)
Maintenance and Supplies	187,300	175,800	112,672	63,128
Equipment Acquisitions	85,600	82,500	90,122	(7,622)
Rent	136,100	136,100	132,021	4,079
Advertising	5,000	5,000	1,365	3,635
Dues/Subscriptions/Training	8,500	6,500	7,149	(649)
Total Expenditures	\$ 5,332,800	\$ 5,317,800	4,855,776	\$ 462,024
Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP:				
Depreciation Expense (Net of Disposals) Not Included in Budget			44,476	
Capital Asset Acquisitions Included in Expenses			(90,122)	
Total Expenses			\$ 4,810,130	





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